

**PAROWAN CITY COUNCIL MEETING
MAY 12, 2016
PAROWAN CITY OFFICES, 35 E. 100 N., 6:00 P.M.**

MEMBERS PRESENT: Mayor Donald G. Landes, Council Members Alan Adams, Vickie Hicks, Ben Johnson, Jay Orton, and Steve Thayer, City Attorney Justin Wayment, City Manager Shayne Scott, City Recorder Callie Bassett

MEMBERS ABSENT: None

PUBLIC PRESENT: Chuck and Dottie Stade, Jesse Ralphs (Sunrise Engineering), Judy Schiers (City Treasurer), Ted and Janice Steffensen, Bill Phelps (Spectra Management), Mary Hanley, Von Mellor (Parowan Power Superintendent), Carol Cable, Jet Smith (Parowan Events Coordinator), Brad and Kate Remund, Jackie Cline, Bill Holliman, Kim Lovell, Jeff Wood (Parowan Reservoir Company President), Mike Adams, Amy Johnson, Kelly Stones, John Dalton, Cassie Orton, Ken Carpenter (Parowan Police Chief)

CALL TO ORDER: Mayor Landes called the meeting to order at 6:00 p.m.

OPENING CEREMONIES/THOUGHT/PRAYER/PEDGE OF ALLEGIANCE – BEN JOHNSON: Councilman Johnson offered an invocation. He then led the Council and the public in the Pledge of Allegiance.

DOES ANYBODY HAVE ANY CONFLICTS OR PERSONAL INTEREST IN ANY MATTER ON THE AGENDA WHICH NEEDS TO BE DECLARED? Councilman Adams declared a conflict with the reservoir company discussion.

CONSENT AGENDA

**APPROVAL OF MINUTES (APRIL 28, 2016 CITY COUNCIL MEETING)
PURCHASE ORDERS/WARRANT REGISTER
PAROWAN CITY 2016/2017 BEER LICENSES
JONES LOT SPLIT – PLANNING COMMISSION RECOMMENDATION**

Councilwoman Hicks moved to approve the consent agenda as presented. Councilman Thayer seconded the motion. There was discussion about the Jones Lot Split. Gary Jones is splitting a lot. This went through the planning commission and meets the requirements to be split. All Council members voted in favor of the motion. The motion carried.

PO # 959	BLACKBURN ASSOCIATES	\$63,000.00
PO # 960	WARREN ELECTRIC	\$ 7,000.00
PO # 961	SUMMIT VALLEY PLUMBING	\$13,000.00

ACTION MEETING

INSURANCE SELECTION FORM – SPECTRA MANAGEMENT, MR. BILL PHELPS:

Mr. Phelps said he has been meeting with Mayor Landes, Mr. Scott, and Mrs. Bassett to go over the medical insurance renewals for this year. There is a 6% increase in premiums this year on the current medical plans. Parowan's currently offers two plan designs. The first is a traditional plan with a very low deductible, office visit co-pays, a low co-insurance, and the employees have a total exposure of \$3,000 per family member. It is a great plan and the employees love it. Mr. Phelps said he has received a lot of comments from the employees claiming one of the main reasons they work for the City is for the benefits.

The other plan Parowan currently offers is a high deductible Health Savings Account, which is a \$1300 deductible for those who enroll as singles and \$2600 deductible for families and a 20% co-insurance after that with a maximum exposure of \$2600 for singles and \$5200 for families. The City contributes a portion of the premium difference between the two plans to the HSA accounts - \$100/month for Single participants and \$200 for Double or Family participants.

One thing Mr. Phelps brought up with the Mayor, Mr. Scott and Mrs. Bassett is he personally works with about 12 different municipalities, and the majority of them now offer Health Savings Accounts. These municipalities actually pay the full difference in premiums of the traditional plan and the HSA to their employees' HSA accounts. Mr. Phelps said they put this in place a couple of years ago. This makes sense because if the City's full liability is on the traditional plan, why not give the employees the full benefit and fund the difference between the two plans. This is also motivation for employees to go this direction.

Mr. Phelps said the City could choose not to change anything and go with the same insurance plan designs and roll ahead with the 6% increase. Mr. Phelps said his job as an advisor is to present plans and allow his clients to make the decision of what is going to be in the best interest of their employees. Mr. Phelps has presented a different option for Parowan City this year. There is a better HSA plan, but it must be coupled with a different traditional plan.

This new traditional plan's deductible goes from \$250 to \$500 per person, the family portion is \$1000, the out-of-pocket goes from \$3,000 to \$4,000 per person or from \$6,000 to \$8,000 for the total family. Co-pays go up slightly and the co-insurance goes from a 90/10 to an 80/20. The prescription plan stays the same. The only reason he is proposing this plan is because he really wants to propose the Health Savings Account, and you can't get the HSA he is a fan of coupled with the traditional plan we currently have.

The HSA Mr. Phelps is presenting is quite a bit different than the current HSA in that the deductible is \$2500 vs. \$1300. The big advantage though is once the deductible is met, the plan pays 100%, where on the other plan once the deductible is met you pay a co-insurance. For those who enroll as two-party or families, there is a combined family deductible of \$5000. In essence, the employee is self-insuring their family for \$5000. Mr. Phelps said that up front that doesn't sound too appealing. The big attraction for this plan is the family premium rate is \$1303. In comparison with the current HSA, it \$120/month less and the exposure is slightly lower.

Mr. Phelps presented a spreadsheet to the Council comparing the renewal plan rates for the current plan designs and the proposed plan designs. Mr. Phelps said assuming the Council has already budgeted for an increase in rates and they are ready to move ahead with the current plan, he is proposing that difference in renewal rates between the current traditional plan and the new HSA plan be contributed to the employees HSA accounts - \$130/month for singles, \$269.70/month for two-parties, and \$364.82/month for families - to help fund their medical expenses. For a family, that is \$4377.84/year. This money goes into a savings account that the employee has access to cover any medical expenses.

On the HSA there is a total exposure of \$5000. With the City's contributions, the total exposure for an employee in a given year for a single is \$936.64, \$1763.60 for a two-party, and \$622.16 for a family. On the current plan design, the employee is paying all of the medical expenses with their net income. This suggested HSA plan allows employees to not only use contributions from the City, but they can contribute to their accounts as well, and pay for medical expenses pre-tax. This is a huge advantage to the employee.

Mr. Phelps said this HSA really does not benefit the City financially, but it doesn't harm the City either because the cost between the two plans is the same. He did say, however, statistics show that Health Savings Accounts tend to create better consumers. They motivate employees to do more research into costs. PEHP has a tool on their website that assists employees in this research. There are great advantages to educating the employees and having them go out and be better consumers, which will translate into lower renewals in the future.

Councilman Adams asked if the City goes with the HSA if employees can still choose the traditional plan. Mr. Phelps said yes. Councilman Johnson asked if payment for prescriptions go towards the deductible on the HSA. Mr. Phelps said they will be full cost up to the \$5000, and they do count towards the deductible and out of pocket maximum.

Mr. Scott said that the proposals in a nutshell are both 6% increases. On one, the City would take the increase and contribute to the HSA accounts, and the other would be to stay with the traditional plan as it is. Mr. Scott said the Mayor and he pencil in a 10% increase when they start talking about the budget in February because they never know what is coming. 6% is not as high as 10%, but 6% is the worst it has been since Mr. Scott has been City Manager.

Councilman Johnson asked about taking the HSA and contributing 3%, in all likelihood they would be taking away from the incentive to choose the HSA. Mr. Scott said one thing they are trying to do with this proposal is get everyone on an even keel, so if you take away from the contributions on the HSA, the Council should probably have those on the traditional plan start to kick in for their health coverage. Mr. Scott said they have always tried to not do this as much as they could. Mr. Scott also said that the one thing that came out of the employee meeting was that the employees wanted Mr. Scott to pass on to the Council their gratitude for their wonderful insurance. They realize what a blessing and benefit it is. They go on and on about when times were tough and increases in salary couldn't happen, they were so grateful for the insurance.

Councilman Johnson moved that the City make the move to go to the Advantage/Summit Care \$500 and the Star HSA \$2500 deductible plan with the 6% increase. Councilwoman Hicks

seconded the motion. Mr. Scott asked the Council if they had any thoughts on how to pay the HSA contributions. They are currently being paid monthly. There is some concern from employees who have to pay monthly for prescriptions, and were wondering if the money could be front loaded into their accounts. Mr. Scott said they could front load the accounts and if an employee left, they would have to pay the City back. Mr. Scott advised that this could be done from a cash flow perspective. The Council felt comfortable with front loading the accounts semi-annually. Councilman Johnson amended his motion to include front loading the accounts twice a year. Councilwoman Hicks again seconded the motion. All Council members voted in favor of the motion. The motion passed.

Mayor Landes thanked Mr. Phelps for coming to the meeting.

IPP RENEWAL CONTRACT:

City Attorney Justin Wayment said that the only risk in this is if L.A. goes bankrupt, because then we would have to buy the power. Mr. Mellor said the contract is very similar to the one we already have.

Councilman Johnson moved to approve the IPP renewal contract at 100% entitlement, and to have the Mayor sign it and keep it on his desk as long as possible. Councilman Adams seconded the motion. All Council members voted in favor of the motion. The motion carried.

CHANGE ORDER #13 REMOBILIZATION – PRECISION PIPELINE:

Mr. Jesse Ralphs addressed the Council. Sunrise Engineering received a request for a change order for remobilization from Precision Pipeline when they remobilized to do the bypass line. They have come back a third time now to finish up, and are now charging for their remobilization. Everything is finished on the bypass line. The only thing left to finish is the sidewalk and landscaping that was approved at the last meeting. They are going to plant grass, because the zero-scape costs were much more expensive than anticipated. Mr. Ralphs said there is currently about \$100,000 in contingency funds. He feels that these remobilization costs are justified.

Councilman Johnson moved to approve the change order for Precision Pipeline in the amount of \$3,000 for the additional mobilization costs. Councilman Thayer seconded the motion. All Council members voted in favor of the motion. The motion carried.

EAGLE ROCK ROAD ACTION:

Attorney Wayment has three resolutions that will allow the City to make waivers, and the waiver would be under “the development activity with a broad public purpose.” Mr. Wayment said under the new rules, you are allowed to give exemptions on impact fees for low income housing, a school district, a charter school, and the statute says for a “development activity with a broad public purpose.” There is no definition of what that means. Mr. Wayment said this road is akin to a belt loop for Parowan, as serves a broad public purpose in that it allows people to cut across from 200 South to Highway 91. It doesn’t just serve this development, but the entire area. It also opens up development opportunities in the area. These resolutions will allow for water, sewer and electric impact fees to be waived.

Councilman Johnson asked Mr. Wayment if Mrs. Judy Schiers, Parowan City Treasurer, had seen these resolutions and if she was alright with them. Mrs. Schiers was present and stated that she was fine with them. Mr. Wayment said that the big audit comes with impact fees that you bring in and what you do with them, not with fees that you don't bring in.

Mr. Scott pointed out that they still haven't narrowed down the portion of the road that goes to the scales. He said that Mr. Kelly Stones, Parowan's Public Works Superintendent, will not accept this road to be his maintenance situation if it is only chipped sealed. It is not the City's intent to put asphalt on that road from 200 South to the scales.

Also, Mr. Scott said the terms of the waiver need to be determined and if this will be done retroactively. Mr. Wayment said that these resolutions are not for the Steffensens. They are across the board the entire City. How this project is treated is independent of these resolutions.

Councilman Johnson said that his understanding was the road was going to be done very soon. Mr. Steffensen said the County wants to come in and chip seal starting June 6th. They will chip seal the Parowan portion of the road. They will grade the county portion of the road and let it sit until springtime, then come in next year and chip seal that portion. They are ready to go.

Councilman Johnson asked if we do an agreement with the Steffensens that binds them to providing the road in return for the waived impact fees. Mr. Wayment said our guide is our imagination because this is brand new. Mr. Scott said he is not against an agreement, but if the Steffensens can produce a receipt from the County for the road, that will work for the City administratively. Mayor Landes asked Mr. Steffensen if this satisfies what he needs. He said it did. He said they talked about reimbursing the impact fees he has paid on the first five homes he has done in the last 5 months. He said as soon as they got that they would pay the County. His arrangement with the County is to pay \$35,000 up front and the rest when the road is finished.

Councilman Johnson moved to table the Eagle Rock Road action discussion until the next meeting. Councilman Adams seconded the motion. All Council members voted in favor of the motion. This item will be tabled until the next meeting.

RECREATION PROJECT DECISION:

Mayor Landes said the high school did a survey which is included in the council packet. Mr. Scott said there are some really good ideas. The top 4 include a bike/skate park, basketball/pickle ball courts, sand volleyball courts and recreation. He thinks that "recreation" on the list means a recreation center like they have in Cedar City, which is way outside of our scope.

Mr. Scott said they were given four options and then "other". Some of the "other" ideas were a dirt bike trail, tennis courts and a roller rink. Mr. Scott said it is interesting that 14 people came up with dirt bike trail. He said this is good information to have.

Councilman Johnson suggested that we get an engineering firm to come in and look at this for the City. We could have them evaluate the bike/skate park and the basketball/pickle ball/volleyball/tennis set up like they have at Diamond Ranch and come up with some costs figures. Mr. Johnson said then the City can see which will give us the biggest bang for our buck and then

move forward and get something done with whatever makes the most sense financially. Councilman Thayer suggested that the TARP committee look at these suggestions and submit their input as well. Councilman Johnson reminded the Council that the 6th graders also voted on this. Their top three were a bike trail, a skate park, and basketball/pickle ball/tennis courts. Mr.

Councilman Adams moved to table item #12 (this item) until the next meeting. Councilman Thayer seconded the motion, with all Council members voting in favor of the motion. This item will be tabled until the next meeting.

WORK MEETING

DISCUSSION ON BEES:

This discussion was brought to the Council's attention because a resident called the City office and reported that there were bees swarming next to a resident that is extremely allergic to bees. Councilman Johnson asked if the bee owner was in compliance with State statutes. Mr. Blaine Nay, the state bee inspector, was going to check into this situation and report back to Mr. Scott. Unfortunately, Mr. Nay wasn't able to attend the Council meeting.

Councilman Johnson said if bees are kept properly, most often their neighbors don't even know they have them. Councilman Thayer said he used to work for a large apiary when he was young, and unless the bees become cross bred, they are really docile.

Jackie Cline is a resident bee keeper. She said Mr. Blaine Nay directed them to someone to purchase their bees from. Their bees were tested and are a certain breed. They were taught how to care for them so they remain calm. They have a water source close by. They are tested regularly to make sure they are healthy. They make sure that they have enough boxes so if they decide they need to expand, they can. She said they have put everything in place that they were taught needed to be happening so the bees are well cared for. They have everything they need to remain calm. There are lots of trees and their garden for them to pollinate.

Councilman Johnson suggested that since there are conflicting concerns, the City put together an ad hoc committee made up of those who have concerns as well as those experts who handle bees and know the best processes for that. This committee could come up with something a little beyond what the State requires to help spell out some of the information so that the bee keepers can keep the hives safely and yet we don't get something that is intrusive or there are people taking advantage of that. This ad hoc committee could meet a couple of times and then come back to the Council with a recommendation.

Kim Lovell, another resident bee keeper, said that bees will swarm. A good bee keeper will try to prevent his bees from swarming by splitting their hives. Mr. Lovell said what the City needs to understand is they have the ability to call Mr. Nay or the State Bee Inspector and they will come in and genetically test the bees, or if they show up and the bees are aggressive, they will issue a warning that the keeper has so many days to re-queen his hive or get new bees. The City needs to be aware that this is in the code.

Councilwoman Hicks says she agrees with Councilman Johnson. She said a committee should be put together to look at this. She said the City doesn't want to over restrict things by any means, but there should be good guidelines within the City limits to protect both the bee keeper and the public.

PARAGONAH POWER RESPONSE AGREEMENT:

Mr. Scott said this came from Paragonah. They would like to establish some kind of procedure where Parowan can help them out if there is a power outage and they don't have anyone in town to take care of it. Attorney Wayment wrote up this agreement at Mayor Robinson's request. Mr. Scott said there are some concerns about doing this because they have a totally different system than Parowan's. He said safety is obviously paramount in dealing with electricity. We wouldn't want to be in a position where we are on call for Paragonah at any time. This should be something that is rare, and maybe this is something that could be included in an agreement.

Attorney Wayment said he wanted to run this by Parowan City before Paragonah. The Council could adjust it to where they feel comfortable with it, and then he would send it on to them. He said that this would only be in a situation where their man gets sick or is not available, or he needs back up in an emergency situation. Councilman Adams said that the problem is on page 2, where it talks about insufficient man power. He said this could be every day over there. Mr. Wayment said he also put a hold harmless clause in this agreement.

Councilman Johnson asked Mr. Von Mellor if this is something the City even wants to do. Mr. Mellor said his men are not qualified to work on Paragonah's system. The delta system is a very old system. He said most of them went out of existence before he was born. All three of our power department employees are adamantly against doing this agreement. Mr. Mellor said he will not send one of his guys over there alone. So if one of our employees is on call alone here in town, and the power goes out at night in Paragonah, the council would have to be the ones responsible to send him out and be liable for his safety. Mr. Mellor said this is a dangerous situation. They have a delta system and a 7200 system. They don't work over there and are not familiar with these systems. They have never seen maps of the system. To be called out in the middle of the night with no familiarity of the system, trying to figure out where he's at and how things are wired up is not safe.

Mr. Mellor also said that over the years working with Paragonah, he is not bashful to say that every time he has tried to help them he feels like they have bitten his hand. He is really discouraged to have them trash talk about him after all these years of trying to help them. He said there is a lot more that he could go into detail about, but he won't.

Councilman Johnson said this is a pretty easy decision. He said that safety is a huge concern on a system they are not used to. He said we want to be good neighbors, but we can't solve all of Paragonah's problems. Mr. Johnson said he does not want to put our guys in any way, shape or form in harm's way, to go to a system they are unfamiliar with. The risk is too high.

Councilman Adams asked if there is any situation that we might be able to help them out. Councilman Orton said he was thinking the same thing, and wondered what Paragonah's options are if we don't help? Mr. Mellor said they could sell to Rocky Mountain Power. Their power is

currently wheeled through RMP like ours. Mr. Mellor said if they choose to have a system they need to choose to figure out how to maintain it.

As to an emergency situation, Mr. Mellor says he has never been opposed to helping Paragonah, but he has just been stung so many times when he's tried that he doesn't have any appetite to go back over there and listen to it any more. He said when Parowan was putting in their upgrade, we used to wheel to them. We had an agreement with them long before Mr. Mellor came here. He said when Parowan upgraded our substation, he had to figure upsizing that and all the costs that went with it to feed their capacity over there. He figured out what their portion would be, and went to the Mayor of Paragonah and told him what they would need to pay to stay on our system and have that service. They got really upset and didn't want to do that.

Mr. Mellor said he kept trying to talk to them to try and get them to bring it to council to get things resolved. He said he saw them up at UAMPS talking to Rocky Mountain Power. He said as it got closer and closer to the time he needed to order the equipment, he still didn't have an answer from them. He asked them straight out if they were going to go with RMP. They would never give him a response. He went ahead and ordered the equipment, and shortly after that Paragonah gave a 30 day notice that they wanted to disconnect. This cost Parowan City \$300,000. This has really soured him from helping them.

In times of emergency, he still doesn't have a problem helping Paragonah, as long as there is someone there to tell them what is going on with their system because they are making changes all the time. It is an old, ratty system, the kind that will get you hurt because they are dangerous to work on. They are not opposed to helping if the guy is in the hospital. But they do not want to be on call if their guy decides to take a month vacation.

Councilman Johnson thinks that this should be pulled from the agenda. He thinks it puts our staff at too much risk, and they need to find another source for that. He thinks there should be an emergency preparedness memorandum of understanding (MoU), not for just the power company, but for the City in times of emergency. Councilwoman Hicks asked if the City responds in some kind of emergency, are our people compensated for that, or is this just a good neighbor scenario. Councilman Johnson said that typically in major emergencies it is more of a good neighbor type of thing.

Councilman Thayer asked if Paragonah's guy is there and needs some assistance with man power or equipment to help him, would that keep our man safe or not. Mr. Mellor said that is another problem. The Paragonah man is not what you would call a certified journeyman lineman. They have never had a journeyman lineman over there. Mr. Mellor said he is not going to send his guys over there to work under him. Councilman Thayer said Mr. Mellor answered his question.

Councilman Adams said Paragonah should just call Rocky Mountain Power. Councilman Johnson added that there is just too much risk. The consensus of the Council was to remove this from as an agenda item.

VALVES IN PENSTOCK PIPE DISCUSSION – PAROWAN RESERVOIR COMPANY:

Mr. Scott said the valves in the penstock have been removed. Mr. Scott said while the City has done a fairly admirable job in including the Parowan Reservoir Company in its discussions, it would have been nice had he invited Mr. Jeff Wood, Parowan Reservoir Company president, to come to the meeting when these valves were discussed again. The City needs to do better in including the Reservoir Company in these types of discussions since we are partners on this project.

The point is that there needs to be some kind of protocol so there is good communication between the City, the Power Company and the Reservoir Company. Councilman Johnson suggested that some kind of memorandum of understanding be drawn up. The farmers are only concerned about the penstock water, so any kind of notice that can be given regarding any change or diversion or stoppage of the water is what they need and expect. Even if the City just had a contact list of who to call or text when the water is going off or if the pressure is going to be down would be extremely helpful to the farmers.

INTERLOCAL AGREEMENT WITH IRON COUNTY ON LANDFILL SERVICES:

This agreement will allow the City to dump at the landfill with no cost for City projects. This will be put on the next action agenda.

DEPARTMENT REPORT – VON MELLOR, POWER SUPERINTENDENT:

Mr. Mellor reported on the Parowan Power Department:

- The UAMPS budget is projected to go down 8%.
- The controls at Red Creek were reworked by Cliff Malm Engineering out of Seattle. They did a good job. He is very happy with the work that was done. They were good to work with.
- The plant was down for 11 days the end of April. The commentator started arching and burning. The last time this happened they had someone come down from Salt Lake to fix it. This time they found a machine shop in Milford that came over and did it for considerably less and had it fixed in a day. He was really pleased with that.
- The Power Department needs to start budgeting money to start replacing the penstock a section at a time.
- They had scheduled to replace the transformers out back this spring. They have the equipment, but have gotten so busy that they are going to do it this fall when things slow down.
- Center Creek has been plagued with a number of small problems as they have had their start up. They have slowly been resolving these. There was oil in the bearings, and the cooling system wasn't installed quite right. The people they bought the equipment from came down and saw where they had made a couple of mistakes. This has been resolved. There is still SCADA work to be done. This probably will be done in June. He said the Reservoir Company needs to know that they are still not 100% down there. It could trip off and they wouldn't know it for a while until they get all of this stuff done. He said once they come back, then the bypass should be functional and start working to where it shuts down and flushes the water through. There may be some problems until then, hopefully not too much.

- They had a millwright come in and do some work for them. They had a lot of leaks. He said that these Chinese turbines leak all the time. It is going to be a maintenance issue forever, more so than the other plant.
- Maverik has torn down their building. Parowan Power Department has an agreement with them to build a three-phase line from 1st West up to the Maverik station and put in a three phase transformer. Because of the building situation, it is a lot better if they take the overhead line out that feeds some homes. So they have agreed to bring an underground primary line from 1st West on 300 South up. This will feed the south side of that block and clean up the overhead line and get rid of that. This will be a big benefit to the City, Maverik and the homeowners.
- IPP is still going forward. It will be a lot smaller than planned. The City needs to start looking ahead at our own potential resources and generating stuff on site. Mr. Mellor watches the national and international renewable energy sites. He said the main sources of energy in the future are going to be solar and battery. There are some municipalities who have gone in and put in battery systems. He thinks Parowan should look at putting in a solar site with a battery back-up site, and also utilizing that to where we could run the hydro at night to charge those batteries and then use those to supplement the load during the day. By doing that we would get full value from the hydro. He really sees batteries as being a key to our future resources here. The more we invest in ourselves, the better off we are going to be.

ANNUAL FEE REVIEW:

Mr. Scott says he has yet to meet with staff about these fees on any major fee changes. Councilwoman Hicks said she would like to see the monthly stall rentals go up to \$60/month. She also asked about the \$100 electric disconnect fee and how many of those are charged in a year. Mrs. Schiers said there are probably 2 or 3 per month. Mrs. Hicks said her concern is that \$100 is a lot of money for a community this size. She said obviously they are shut off for non-payment. She said we don't send someone out anymore to turn the power on and off. Mrs. Schiers said that some of them we still have to, and before we had that disconnect fee, there used to be 10-12 shut offs/month.

Mrs. Hicks would like to see the City consider lowering that fee. Mr. Scott pointed out that there are only about 10% of our units that can be shut off from the City Office. The system is set up to be able to shut off apartments, etc. The \$100 dollar disconnect fee is a motivating factor for many people to get their bill paid on time. Mrs. Hicks said her biggest concern is that someone gets shut off in the winter when it is cold. She doesn't want to cause a hardship for anyone in this City. Mr. Scott pointed out that there are heat assistance programs available and a lot of people take advantage of that. Mr. Scott said that Parowan City is kinder than they are mean when it comes to utilities. Mrs. Hicks said she would like to sit down and talk to Mrs. Schiers about this and look and see how the City actually handles this.

Councilman Johnson pointed out that people can take advantage of the assistance that is out there and need to be responsible for themselves. Attorney Wayment pointed out that these people aren't just shut off immediately. They are given several warnings. Mr. Mellor said that if these people will just come in and communicate with the City Office, we will work with them. He said there are people who see that they are coming to turn off their power and run up and pay

their bill. He said this is nonsense. He said that this disconnect fee has evolved over time, and even though \$100 may seem shocking at first, it really has cleaned up the amount of people and the problems with paying their bills.

Mrs. Schiers said that if people don't contact the City Office, we don't know if they have moved and left us with a \$500 bill. Mr. Scott said although we try to treat everyone equally, but we do try to work with people. Mr. Scott also said that the resident is required to pay the past due to not incur the disconnect fee. Mrs. Schiers added that the resident is actually two months past due before we ever turn them off. Mrs. Hicks said that she was told by a resident that if you didn't pay by the 15th of the month you get shut off. Mrs. Schiers said that is when they are two months past due. Mrs. Hicks said they didn't bother to tell her that part.

Councilman Johnson asked if the cleaning deposit on the stalls is too low. It is \$25. It needs to be raised to \$50.

Mr. Scott said that we do set our fees for solid waste and pressurized irrigation at this time. There has been talk of raising these fees. Councilman Johnson said he is ok with raising the rates on these, but he would like to put it back on the employees and have them come up with solutions to cutting costs associated with these funds.

Councilman Thayer talked about the pressurized irrigation fees. He said the fore bay needs to be dredged. This is a maintenance cost that really can't be overlooked. Right now the fore bay is full of silt and there is no room for storage and the system can't recover as it should. The pressure valves need to be replaced. Their life expectancy is 20 years and these are going on 30 years. They could fail at any time. This needs to be addressed. The Water Board would like to see a 35% increase to help cover the cost of these maintenance issues. Councilman Johnson has a problem with raising this so much up front. He is more for smaller incremental raises. Mr. Thayer said the emergency is now and needs to be taken care of. Mr. Scott said it will take 5 years to get all of these projects done.

Councilman Adams said we need to prepare for long term maintenance and increase by small increments at a time. Councilman Thayer asked for a consensus from the Council. Councilman Orton said that if this is the determination that the Water Board has made, he is not one to argue with that. He also agrees with Councilman Adams and Councilman Johnson in a sense that we need to make sure we are making these changes incrementally and are paying attention to those things over time. Councilman Adams said he has deep respect for the Water Board and what they are trying to do with the situation we are in. He said even though he doesn't like the increase that much, he is ok with it. Mayor Landes added that he wants these fees to be explained and justified in the next newsletter.

BUDGET DISCUSSION:

Mr. Scott said he has made the requested changes have been made to the budget. The general fund is in compliance with state standards. Based on the Council's recommendations, the mower and the improvements to the pool were taken out. Mr. Scott recommends the City make these improvements next year if funds are available. The school resource officer is included in this budget. The budget is currently reflecting the 35% increase in the pressurized irrigation fund and

a \$1.25 increase in the solid waste fund. There have been some changes to the electric fund based on some recommendations from the power board and some things the power department wants to do. Councilman Adams asked about the Class C money. Mr. Scott said that this money will be spent.

Mr. Scott told the Council that the budget will not be passed at the next meeting so there is still time to make changes. There will be a public hearing on the budget at the next meeting.

BOARD MEMBER COMPENSATION:

Councilman Johnson said we have done something for the firefighters who volunteer a lot of their time, but they are not the only people who volunteer a lot of time to the City. One thought Councilman Johnson has had is to do something for the people who volunteer on all of the City's boards and committees. He said we can't afford to do a lot, but he would like to see the City do something. He would like to push for a healthy community, because a healthy community is a happy community. He would like to give something along the lines of gym memberships to these volunteers. Minimal cost to the City, the Citizen would have to sign up, but it is a benefit if those choose, they can get something for volunteering their time to help out in the community.

MEMBER REPORTS:

Councilman Thayer said he has already covered the pressurized irrigation. There is a fund raiser at the theater to help raise money for the earthquake in Ecuador. The theater board has discussed the issue of storage. The real issue is mouse control. The Connex box keeps the mice out, but is not very attractive. Half of the theater board would like to keep the Connex box, half do not. Councilman Johnson asked if side doors could be put on it. The patchwork committee met. Highway 143 is really torn up. Brian Head mentioned that they had the best winter ever.

Councilman Orton reported that the shade tree committee discussed the unit two trees. These will be arriving in May. The high school service day is May 18th and they will be helping with planting these trees. They did the Arbor Day program with the elementary school and that went well. Councilman Orton said they went up and looked at the site and addressed some issues with the trail being near the well and the storage tanks in the area. Mr. Kelly Stones will be looking into some things to make sure we are within state requirements. There is still a plan to do some kind of event or ground breaking on the 24th of May.

Councilwoman Hicks met with the Historic Preservation committee and was sad to report that they could not approve Mineer's building because they want to put up a steel building and there are ordinances in place that prohibit such buildings in the historic district. There is a new business going in on Main Street that is a distributorship for Direct TV and Infowest. They came for sign approval for their business. It was brought to the committee's attention that the Visitor's Center did not clear their sign with the Historic Preservation committee. The sign is on Center Street. The Planning and Zoning Committee approved a home occupation license for a day care and the Gary Jones lot split.

Councilman Adams reported that a resident approached him about putting in a sidewalk on 200 South by the Maple Springs subdivision. Mr. Scott said this is a UDOT right of way and it is

safe to say they may never put a sidewalk there. Mr. Lovell suggested that the Council talk to Davey Burton or Ryan Orton. He said there are funds available if the City goes to the State.


Councilman Johnson reported that the Economic Development Committee met and discussed the tournaments and car shows coming up. Maria from the Brian Head/Cedar City Tourism came and talked to them. Parowan is going to be included on a grant for the branding of Parowan. That will be this fall. He said they had a fantastic youth council this year. They will be sponsoring the movie on the 16th as a fund raiser for the Ecuador earthquake victims. They also have t-shirts for sale that say "Straight Outta Parowan #mothertown." They are for sale through the youth council, the high school and the visitor center.

PUBLIC COMMENT & DISCUSSION – TWO MINUTE LIMIT EACH:

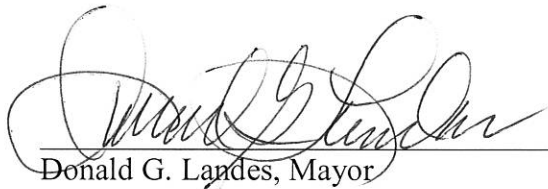
Parowan Library Director Kristen Robinson invited the Council to attend the time capsule placement on Thursday, May 19th at 10:00 a.m. The information that has been gathered from the businesses in town and the people from the community is really awesome. She said she wished she could be around in 50 years to see it!

Mayor Landes said, for those who do not know, Mr. Scott is leaving Parowan City and the word is out that we are looking for a new City Manager. Mayor Landes also announced that the gliders will be coming to Parowan on June 14th.

ADJOURN: Councilman Orton made a motion to adjourn. Councilman Johnson seconded the motion. All Council members voted in favor of the motion. The meeting adjourned at 8:42 p.m.



Callie Bassett, City Recorder



Donald G. Landes, Mayor